

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: STEWARD HEALTH CARE SYSTEM, LLC, et al., Debtors.¹	§ § Chapter 11 § § Case No. 24-90213 (CML) § § (Jointly Administered) § § §
---	--

**STIPULATION AND AGREED ORDER BETWEEN DEBTORS AND THE
COMMONWEALTH OF MASSACHUSETTS SETTING BRIEFING SCHEDULE FOR
THE COMMONWEALTH’S MOTION FOR RELIEF FROM THE AUTOMATIC STAY
TO ALLOW FOR THE SETOFF OF MUTUAL OBLIGATIONS IF AND TO THE
EXTENT THAT RECOUPMENT IS NOT AVAILABLE (NO. 3393)**

This stipulation and agreed order (the “**Stipulation and Agreed Order**”) is entered into by and among (i) the Commonwealth of Massachusetts (the “**Commonwealth**”), by and through the Executive Office of Health and Human Services of the Commonwealth of Massachusetts and the Attorney General of the Commonwealth of Massachusetts, and (ii) Steward Health Care System LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” and, together with the Commonwealth, the “**Parties**”). The Parties stipulate and agree as follows:

RECITALS

WHEREAS, on May 6, 2024 (“**Petition Date**”), the Debtors commenced the above-captioned voluntary cases under chapter 11 of title 11 of the United States Code

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/Steward>. The Debtors’ service address for these chapter 11 cases is 1900 N. Pearl Street, Suite 2400, Dallas, Texas 75201.

(the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”).

WHEREAS, the Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, and this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

WHEREAS, on December 6, 2024, the Commonwealth filed its *Motion for Relief from the Automatic Stay to Allow for the Setoff of Mutual Obligations if and to the Extent That Recoupment is Not Available* (the “**Recoupment and Setoff Motion**”) (ECF No. 3393).

WHEREAS, the Parties have agreed to enter into and jointly submit this Stipulation and Agreed Order setting a schedule for discovery, briefing, and a hearing in connection with the Recoupment and Setoff Motion.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. The recitals set forth above are incorporated herein by this reference as though set forth herein at length.
2. This Stipulation and Agreed Order shall have no force or effect unless and until approved by the Bankruptcy Court.
3. The Commonwealth shall substantially complete document production in response to the Debtors’ Request for the Production of Documents (served on December 17, 2024) on or before January 17, 2025.
4. The Debtors shall submit a brief in opposition to the Recoupment and Setoff Motion on or before February 21, 2025.
5. The Commonwealth shall serve any discovery on the Debtors in connection with the Recoupment and Setoff Motion on or before February 28, 2025.

6. The Debtors shall substantially complete document production in response to any discovery requests the Commonwealth timely serves on or before March 21, 2025.

7. The Commonwealth shall submit a reply in support of the Recoupment and Setoff Motion on or before April 25, 2025.

8. A hearing on the Recoupment and Setoff Motion shall be heard by this Court on May 6, 2025 at 10:00am Central Time.

4. This Stipulation and Agreed Order shall constitute the entire agreement and understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof.

5. The undersigned who executes this Stipulation and Agreed Order by or on behalf of each respective Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation and Agreed Order on behalf of such Party.

6. This Stipulation and Agreed Order shall not be modified, altered, amended, or vacated without the written consent of all Parties hereto or by further order of the Bankruptcy Court.

7. The Bankruptcy Court shall retain sole and exclusive jurisdiction over all matters related to this Stipulation and Agreed Order.

IT IS SO ORDERED.

Dated: _____, 2025

Christopher Lopez
United States Bankruptcy Judge

IN WITNESS WHEREOF, this Stipulation and Agreed Order has been executed and delivered as of the day and year first below written.

Dated: January 2, 2025

/s/ Clifford W. Carlson
WEIL, GOTSHAL & MANGES LLP
Gabriel A. Morgan (24125891)
Clifford W. Carlson (24090024)
Stephanie N. Morrison (24126930)
700 Louisiana Street, Suite 3700
Houston, Texas 77002

Email: Gabriel.Morgan@weil.com
Clifford.Carlson@weil.com
Stephanie.Morrison@weil.com

-and-

WEIL, GOTSHAL & MANGES LLP
Jeffrey D. Saferstein (admitted *pro hac vice*)
Robert Berezin (admitted *pro hac vice*)
Jason H. George (admitted *pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: Jeffrey.Saferstein@weil.com
Robert.Berezin@weil.com
Jason.George@weil.com

-and-

WEIL, GOTSHAL & MANGES LLP
David J. Cohen (admitted *pro hac vice*)
1395 Brickell Avenue, Suite 1200
Miami, Florida 33131
Telephone: (305) 577-3100
Facsimile: (305) 374-7159
Email: DavidJ.Cohen@weil.com

*Attorneys for Debtors
and Debtors in Possession*

-and-

Dated: January 2, 2025

/s/ Hugh M. McDonald
Andrew M. Troop (Bar No. MA547179)
Special Assistant Attorney General
Hugh M. McDonald (Bar No. NY2420974)
Special Assistant Attorney General

-and-

PILLSBURY WINTHROP SHAW
PITTMAN LLP
Andrew V. Alfano (Bar No. NY5525241)
31 West 52nd Street
New York, NY 10019
Tel: 212-858-1000
Fax: 212-858-1500

-and-

PILLSBURY WINTHROP SHAW
PITTMAN LLP
Claire K. Wu (admitted *pro hac vice*)
725 South Figueroa Street, 36th Floor
Los Angeles, CA 90017
Tel: 213-488-7100
Fax: 213-629-1033

*Counsel for the Commonwealth of
Massachusetts*

LATHAM & WATKINS LLP

Ray C. Schrock (*pro hac vice* pending)

Candace M. Arthur (*pro hac vice* pending)

1271 Avenue of the Americas

New York, NY 10020

Telephone: (212) 906-1200

Facsimile: (212) 751-4864

Email: Ray.Schrock@lw.com

Candace.Arthur@lw.com

*Proposed Attorneys for Debtors
and Debtors in Possession*